



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
-----------------	-------------	----------------------	---------------------	------------------

09/523,653

03/10/2000

Jay S. Walker

99-062

5172

22927

7590

02/13/2006

WALKER DIGITAL  
2 HIGH RIDGE PARK  
STAMFORD, CT 06905

EXAMINER

COLBERT, ELLA

ART UNIT

PAPER NUMBER

3624

DATE MAILED: 02/13/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/523,653

Applicant(s)

WALKER ET AL.

Examiner

Ella Colbert

Art Unit

3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 23 November 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-24, 35 and 56 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-24, 35 and 56 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |   |   |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                        | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)    | Paper No(s)/Mail Date. _____  |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____   | 6) <input type="checkbox"/> Other: _____                                    |

### **DETAILED ACTION**

1. Claims 1-24, 35, and 56 are pending in this communication filed 11/23/05 entered as Response After Non-Final Action and Request for Extension of Time.
2. The 35 USC 112, second paragraph rejection still remains for claims 1 and 21. The claim language is still very vague and unclear in reference to what Applicants' mean by "specified auction behavior", "identifying an auction behavior", and "the selected auction behavior".

#### ***Claim Rejections - 35 USC § 112***

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:  
  
The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.
4. Claims 1, 21, 35, and 56 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

It is unclear and vague in the claim language what Applicants' mean by specified auction behavior in claim 1. What is the "specified auction behavior"? Is it automatically placing a bid for a bidder according to a rule? It is unclear and vague in the claim language what Applicants' mean by "identifying an auction behavior" and "the selected auction behavior" in claim 21 and a behavior selector in claim 35. How is the auction behavior identified? How is the auction behavior selected? What criteria are used to determine the selected auction behavior? What is the behavior selector? Claim 56 has a similar problem with "auction behavior". Although the claims are interpreted in light of

Art Unit: 3624

the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

***Claim Rejections - 35 USC § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1-24, 35, and 56 are rejected under 35 U.S.C. 103(a) as being unpatentable over (US 6,012,045) Barzilai et al, hereafter Barzilai in view of (US 6,718,312) McAfee et al, hereafter McAfee.

As per claims 1 and 21, Barzilai teaches, A system for managing an auction, comprising: specifying, via a computer processor, an auction behavior (col. 2, lines 25-54); and specifying at least one rule for controlling when a bid may be placed automatically for a bidder in the auction according to the specified auction behavior (col. 10, lines 32-57 and col. 7, lines 17-34). Barzilai did not expressly disclose when a rule for controlling when a bid may be placed automatically for a bidder. McAfee teaches controlling when a bid may be placed automatically for a bidder (col. 1, lines 32-57 and col. 4, lines 22-52). However, Barzilai does teach a customer reviewing the rules regarding the bid, auction, and sale system and it would have been obvious to a skilled artisan for Barzilai to incorporate the teachings of McAfee of controlling when a bid may

Art Unit: 3624

be placed automatically for a bidder into Barzilai in view of Barzilai's teachings of auction rules and bidding and because such a modification would allow Barzilai to have bid restrictions and additive activity rules to control the behavior of auction participants.

Bazilai further teaches a means (a system) for identifying an auction behavior (col. 2, lines 50-52).

As per claim 2, Barzilai failed to teach, The method of claim 1, further comprising: automatically placing at least one bid for a bidder according to the at least one rule and according to at least one specified bidding behavior. McAfee teaches, automatically placing at least one bid for a bidder according to the at least one rule and according to at least one specified bidding behavior (col. 2, lines 45-65). It would have been obvious to one having ordinary skill in the art at the time the invention was made to automatically place at least one bid for a bidder according to the at least one rule and according to at least one specified bidding behavior and to incorporate in Barzilai because such an incorporation would allow Barzilai to have a bidder's eligibility for current bidding dependent upon the past bidding activity according to activity rules.

As per claim 3, Barzilai teaches, The method of claim 2, wherein the specified bidding behavior comprises a maximum bid and a minimum bid increment (col. 3, line 27-col. 14, line 9, and col. 19, lines 39-45).

As per claim 4, Barzilia teaches, The method of claim 2, wherein automatically placing at least one bid for the bidder comprises: if a highest bid in the auction is not from the bidder, placing the bid according to the at least one specified bidding behavior at a time according to the at least one rule (col. 14, lines 10-34).

As per claim 5, Barzilia teaches, The method of claim 1, further comprising: receiving at least one bid placed automatically according to the at least one rule and according to at least one specified bidding behavior (col. 15, lines 2-10 and col. 16, line 24-col. 17, line 16).

As per claim 6, Barzilia teaches, The method of claim 1, wherein specifying an auction behavior comprises determining the auction behavior according to information about the auction (col. 17, lines 23-32).

As per claim 7, Barzilia teaches, The method of claim 6, wherein the information about the auction comprises at least one of information about an item, information about a seller and information about bidders (col. 17, line 56-col. 18, line 36 and col. 21, lines 53-62).

As per claim 8, Barzilia teaches, The Method of claim 7, wherein determining the auction comprises; receiving information about one or more prior auctions, wherein each of the prior auctions has an associated auction behavior; identifying at least one of the prior auctions as similar to the auction based on the information about the auction and the information about the one or more prior auctions; and selecting one or more of the prior auctions identified as similar to the auction (col.2, line 20-col. 3, line 3, col. 5, lines 25-67, col. 9, line 37-col. 10, line 31, and col. 12, line 46-col. 13, line 26).

As per claim 9, Barzilia teaches, The method of claim 8, further comprising selecting the auction behavior associated with the selected one or more prior auctions as the auction behavior (col. 10, lines 58-67 and col. 12, line 51-col. 13, line 16).

As per claim 10, Barzilia teaches, The method of claim 8, wherein identifying at least one of the prior auctions similar to the auction comprises: comparing information about the auction to the information about the one or more prior auctions using a metric to obtain a measure; and comparing the measure to a threshold defining an extent of similarity (col. 13, line 26-col. 14, line 34).

As per claim 11, Barzilia teaches, The method of claim 8, wherein the selected one or more prior auctions has a best outcome among the at least one of the prior auctions identified as similar to the auction (col. 16, line 24-col. 17, line 16).

As per claim 12, Barzilia teaches, The method of claim 11, wherein a best outcome is at least one of a highest price and a fastest sale (col. 18, lines 7-23).

As per claim 13, Barzilia teaches, The method of claim 1, wherein specifying at least one rule comprises: associating at least one rule with at least one candidate auction behavior from which the auction behavior is specified; and selecting the at least one rule associated with the specified auction behavior (col. 5, lines 19-40).

As per claim 14, Barzilia teaches, The method of claim 13, wherein associating at least one rule with each candidate auction behavior comprises: determining at least one rule that corresponds to each candidate auction behavior; and storing the at least one rule in a database (col. 5, lines 57-67 and col. 18, lines 37-46).

As per claim 15, Barzilia teaches, The method of claim 14, wherein determining at least one rule which corresponds to each candidate auction behavior comprises: characterizing each candidate auction behavior; and selecting rules corresponding to the candidate auction behavior (col. 19, lines 20-52 and col. 22, lines 15-48).

Art Unit: 3624

As per claim 16, Barzilia teaches, The method of claim 13, wherein a candidate auction behavior is a behavior of an auction similar to the current auction (col. 6, lines 27-37 and col. 7, lines 17-29).

As per claim 17, Barzilia failed to teach, The method of claim 1, further comprising: evaluating actual auction behavior according to bids received in the auction; and modifying the at least one rule for controlling when a bid may be placed automatically in the auction according to the actual auction behavior. McAfee teaches evaluating actual auction behavior according to bids received in the auction; and modifying the at least one rule for controlling when a bid may be placed automatically in the auction according to the actual auction behavior (col. 8, line 48-col. 9, line 7). It would have been obvious to one having ordinary skill in the art at the time the invention was made to evaluate actual auction behavior according to bids received in the auction; and modifying the at least one rule for controlling when a bid may be placed automatically in the auction according to the actual auction behavior and to incorporate the teachings of McAfee into Barzilia because such an incorporation would allow Barzilia to apply rules that make a bidder's eligibility for current bidding dependent upon the past bidding activity.

As per claim 18, Barzilia teaches, The method of claim 17, wherein evaluating the actual auction behavior comprises: characterizing the actual auction behavior according to bids received in the auction; comparing the selected auction behavior to the actual auction behavior (col. 2, line 41-col. 3, line 3).



As per claim 19, Barzilai teaches, The method of claim 17, wherein modifying the at least one rule comprises: selecting at least one alternative rule corresponding to the actual auction behavior (col. 5, line 19-56).

As per claim 20, Barzilai teaches, The method of claim 19, wherein selecting the at least one alternative rule comprises selecting the at least one alternative rule randomly from among a plurality of rules (col. 6, lines 58-67).

As per claim 21, Barzilai teaches, A system for managing an auction, comprising: means for identifying an auction behavior (col. 2, lines 25-54); and means for identifying at least one rule for controlling when a bid may be placed automatically for a bidder in the auction according to the selected auction behavior (col. 7, lines 17-34). Barzilai did not specifically disclose when a rule for controlling when a bid may be placed automatically for a bidder. However, Barzilai does teach a customer reviewing the rules regarding the bid, auction, and sale system and it would have been obvious to a skilled artisan for Barzilai to control when a bid may be placed automatically for a bidder in view of Barzilai's teachings of auction rules and bidding.

As per claim 22, Barzilai teaches, A system for managing an auction, comprising: an auction behavior selector providing an indication of a selected auction behavior (col.10, lines 44-63; and a rule generator having an input for receiving an indication of the selected auction behavior and an output providing at least one rule for controlling when a bid may be placed automatically for a bidder in the auction to encourage the selected auction behavior (col. 4, lines 7-10, col. 5, lines 25-40, and col. 10, lines 53-67). Barzilai did not specifically disclose a rule generator having an input ... and an

output providing at least one rule ...". However, Barzilai did disclose rules regarding the bid and auction and a rule display. It would have been obvious to one having ordinary skill in the art that a skilled artisan would have incorporated a rule generator with an input for receiving and indication of the selected auction behavior and an output providing at least one rule for controlling a bid ... in view of Barzilai's teachings of rules, a password control and a rule display and because such a modification would allow Barzilai to permit a user to place a reasonable number of bids on a single product or service whereby the system accepts the highest bid submitted by all bidding customers

As per claim 23, Barzilai teaches, The system of claim 22, wherein the auction behavior selector comprises: a comparator having an input for receiving the information about the at least one prior auction and information about the auction, and an output for providing an indication of at least one of the prior auctions similar to the auction (col. 22, lines 49-67); a selector having an input for receiving the indication of one or more of the prior auctions identified as similar to the auction and an output for providing an indication of the auction behavior associated with a selected one or more of the prior auctions (col. 21, lines 63-67 and col. 22, lines 1-14).

As per claim 24, Barzilai further teaches, A computer program product comprising: a computer readable medium (col. 3, lines 54-60); and computer program instructions stored on the computer readable medium, wherein the computer program instructions (col. 5, lines 18) to perform the steps of claim 24.

This independent claim is rejected for the similar rationale as given above for claim 21.

As per claim 35, Barzilai teaches, A system for selecting an auction behavior for an auction, comprising: a behavior database in which associations between information about auctions and auction behaviors is stored (col. 6, lines 27-37 and fig. 2); and a behavior selector having an input for receiving information about the auction and an output for providing an indication of an auction behavior for the auction using the behavior database (col. 6, lines 39-50).

As per claim 56, This independent claim is rejected for the similar rationale as given above for claims 1-24 and 35.

### **Response to Arguments**

7. Issue no. 1: Applicants' argue: it appears that the indefiniteness rejection of claim 56 has not been maintained, thus we assume that the Examiner has accepted our previous arguments that claim 56 was not indefinite has been considered but is not persuasive. Response: It was in error that claim 56 was not considered as being indefinite because the indefiniteness rejection for claim 56 has not changed. The Examiner is inquiring as to whether steps are left out of the claims that clarify these limitations. Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Issue no. 2: Applicants' argue: As best as we can interpret the rejection of claim 1, we respond by directing the Examiner's attention to, e.g., page 8, lines 28-30 of the application which clearly explains what is meant by auction behavior: "An auction behavior is a manner in which bids in an auction are placed for example, the times at

Art Unit: 3624

which they are placed, the frequency with which they are placed, and the amount by which they exceed any previous bid” has been considered but is not persuasive.

Response: Page 8, lines 28-30 of the Specification that is in the Examiner’s file do not recite “An auction behavior is a manner in which bids in an auction are placed for example, the times at which they are placed, the frequency with which they are placed, and the amount by which they exceed any previous bid”. Page 8, lines 28-30 recite “but not so limited to, the amount of time left in the auction, whether the auction has been extended, the rate at which bids are placed in the auction, or the current price of the item. A condition also may be specified by a fixed number of bids, e.g., one, or a variable number of bids. The variable number of bids may be a function of, for example, the amount of time left in the auction, whether the auction has been extended, the rate at which bids are placed in the auction, or the current high bid price for the item.” Nothing in these lines indicate that these are defined as “Auction behavior” in the beginning paragraph. It is merely left to one’s assumption that these are Applicants’ “auction behavior”.

Issue no. 3: Applicants’ argue: There is no prima facie showing of indefiniteness of claims 21 and 35 has been considered but is not persuasive. Response: The Examiner disagrees that these claims are not indefinite because the claim language does not particularly point out and distinctly claim the subject matter which applicant regards as the invention so that a person of ordinary skill in the art will know how Applicants’ “auction behavior is identified or what criteria is used for Applicants’ “auction behavior” or Applicants’ “behavior selector”. These claim limitations are not clearly

defined or identified in the Specification. Therefore, the claim limitations have been given their broadest reasonable interpretation in light of what can be understood from the Specification.

Issue no. 4: Applicants' argue: The Examiner asserts on page 11 of the Office Action: that: "An auction behavior can be the electronic payment of funds from the bidder for each bid based upon the number of bids submitted by the bidder". We assume from this statement that the Examiner has interpreted the term "auction behavior" in the claims as reading on "An auction behavior can be the electronic payment of funds from the bidder for each bid based upon the number of bids submitted by the bidder" and this interpretation is clearly at odds with the definition of "auction behavior at, e.g., page 8, line 27 of the application has been considered but is not persuasive. Response: This argument has been addressed above in Issues 2-3 and there is not considered any need for further discussion.

Issue no. 5: Applicants' argue: There is no motivation to combine two disparate references when essentially statements that the proposed combination would confer a benefit and this is clearly a legally insufficient basis for combining references, and so the rejection is improper has been considered but is not persuasive. Response: In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in

the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, Barzilai teaches the auction behavior, specifying a rule for controlling when a bid may be placed for a bidder in the auction according to the specified auction behavior, the bidding behavior comprises a maximum bid and a minimum bid increment, receiving a bid placed automatically according to a rule, receiving information about one or more prior auctions, comparing information about the auction to information about the one or more prior auctions using a metric, and McAfee teaches controlling when a bid can be placed for a bidder and placing a bid for a bidder according to a rule. Together it is interpreted that Barzilai and McAfee teach the claim limitations of claims 1-24, 35, and 56.

Conclusion: In this rejection of claim 1 and others, for example under Section 103 (a) of Title 35 of the United States Code, the Examiner carefully drew up a correspondence between the Applicants' claimed limitations and one or more referenced passages in the Barzilai and McAfee references, what is well known in the art, and what is known to one having ordinary skill in the art (the skilled artisan). The Examiner is entitled to give claim limitations their broadest reasonable interpretation in light of the Specification (see below):

2111 Claim Interpretation; Broadest Reasonable Interpretation [R-1]

**>CLAIMS MUST BE GIVEN THEIR BROADEST REASONABLE INTERPRETATION**

During patent examination, the pending claims must be "given the broadest reasonable interpretation consistent with the specification." Applicant always has the opportunity to amend the claims during prosecution and broad interpretation by the examiner reduces the possibility that the claim, once issued, will be interpreted more broadly than is justified. *In re Prater*, 162 USPQ 541,550-51 (CCPA 1969).<

Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Applicant is respectfully requested to particularly point out and to claim the novel feature of the invention in the independent claims. Where is this feature claimed in claims 1, 21, 22, 24, 35, and 56?

### ***Conclusion***

8. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

### ***Inquiries***

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ella Colbert whose telephone number is 571-272-6741. The examiner can normally be reached on Tuesday-Thursday, 6:30AM-4:00PM.

Art Unit: 3624

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 571-272-6747. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

A handwritten signature in black ink, appearing to read 'E. Colbert', with a long horizontal stroke extending to the right.

E. Colbert  
Primary Examiner  
February 6, 2006